

**STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF BUSINESS OVERSIGHT**

TO: Standpoint Capital, LLC  
Ronald James Siruno Monis  
13113 Caravel Street  
Cerritos, California 90703

**DESIST AND REFRAIN ORDER**

**(For violations of sections 25110, 25210, 25230 and 25401 of the Corporations Code)**

The Commissioner of Business Oversight (Commissioner) finds that:

1. At all relevant times herein, Standpoint Capital, LLC (“Standpoint Capital”) is, or was, a California limited liability company with its principal place of business located at 13113 Caravel Street, Cerritos, California 90703. Standpoint Capital purportedly offers investment services.

2. At all relevant times, Ronald James Siruno Monis (“Monis”) is, or was, the owner, founder, Chief Executive Officer, and President of Standpoint Capital.

3. At all relevant times, Standpoint Capital maintained a now defunct website at <http://www.standpointcapital.com>, which listed an address of City National Plaza, 515 S. Flower Street, 36<sup>th</sup> Floor, Los Angeles, California 90071.

4. Standpoint Capital’s website contained several representations, including that Standpoint Capital is, or was, “an independent equity analysis firm with a focus on value investing, quantitative analysis, and technical trading.” Standpoint Capital’s website further claimed that it is, or was, a “limited partner with a registered investment advisor and private equity firm that provides solutions to qualified clients in three actively managed platforms: hedge funds, managed accounts and private equity funds.”

5. As part of its services to its clients, Standpoint Capital represented that it offers customers a “Standpoint Capital Pro” membership and investments in private equity funds which “provides a competitive advantage to outperform the market and those around you.” Standpoint Capital claimed that “[t]hrough our partners, we invest in late stage brand name companies pre-IPO like Twitter, SpaceX, Square, and etc. to take advantage of the mis-pricings of shares (generally known as arbitrage) in the private market and sell at a premium once the company IPOs.” Standpoint Capital charged customers approximately \$1,200.00 per year for its services.

6. Beginning on or about December 3, 2012, Standpoint Capital and Monis offered and sold unqualified, non-exempt securities in the form of investment contracts to at least one California resident raising at least \$25,000.00.

7. On December 3, 2012, Standpoint Capital and Monis executed at least one agreement entitled "standpointagreement." Under that agreement, at least one California resident agreed to invest \$25,000.00 with Monis in return for "... 25% ownership of [Monis'] DBA (Doing Business As) Standpoint Capital...." Standpoint Capital and Monis promised to use the money to purchase stocks of various companies. The agreement also provided that in addition to owning 25% interest in Standpoint Capital, the California resident would receive 25% of all profits earned by Standpoint Capital.

8. Pursuant to the agreement, Standpoint Capital and Monis agreed to "fully disclose where the California resident's money would be invested." The California resident did not know how the funds would be invested or receive any documents that showed Standpoint Capital and Monis actually purchased any stock.

9. In or about May 2013, Monis informed the California resident that the investment was lost without providing any further explanation.

10. These securities were offered or sold in this state in issuer transactions. The Department of Business Oversight has not issued a permit or other form of qualification authorizing any person to offer or sell the securities referred to herein in this state, nor is Standpoint Capital exempt from the qualification requirement.

11. On May 30, 2013, Monis incorporated Standpoint Capital as a California limited liability company in the hope of partnering with Tangle Trade Management, LLC ("Tangle Trade") and soliciting investments from the general public. Tangle Trade is a limited liability company incorporated in Texas and headquartered in Kirkland, Washington. Tangle Trade is a registered investment adviser firm licensed by the state of California, Texas, and Washington that purportedly, offers "investment supervisory services to a pooled investment vehicle."

12. Beginning in or about March 2013, Standpoint Capital and Monis provided investment advice to investors and thereafter, recommended the services of Tangle Trade to at least three investors who invested approximately \$115,000.00 in funds managed by Tangle Trade. Standpoint

1 Capital and Monis received \$4,525.00 from Tangle Trade in return for referring investors to Tangle  
2 Trade.

3 13. Standpoint Capital and Monis advised prospective investors to purchase securities in  
4 the form of pre-IPO shares of Twitter, Inc., which he stated were being offered through Tangle Trade.  
5 Standpoint Capital and Monis provided prospective investors presentation materials that claimed  
6 Standpoint Capital had partnered with Tangle Trade and Webush Securities, Inc., a registered  
7 investment adviser firm, to offer the pre-IPO Twitter Fund. Standpoint Capital and Monis gave an  
8 assessment on the risks and rewards of the proposed investments and offered to explain the  
9 opportunities presented in proposed investments to investors in thorough detail.

10 14. In its presentation, Standpoint Capital stated it was “providing the opportunity for [the  
11 investor] to be able to take part in a deal flow that will result in the biggest IPO of 2013-2014, before  
12 retail investors have access.” Standpoint Capital and Monis represented that the minimum  
13 investment required to invest in Twitter Fund was \$500.00 but indicated that Standpoint Capital was  
14 willing to accept less under certain conditions. The presentation also informed investors that only  
15 accredited investors could invest in the fund however; Standpoint Capital had an undisclosed  
16 “process” where it could include individuals that did not meet the requirement. Standpoint Capital’s  
17 fees were stated as 15% of all profits generated from the investment and 1% of the entire fund for  
18 managing the fund.

19 15. At all relevant times, Standpoint Capital and Monis did not have a valid broker-dealer  
20 certificate or a valid investment adviser certificate issued by the Department of Business Oversight or  
21 the U.S. Securities and Exchange Commission.

22 16. In connection with the offer and sales of securities, Monis held himself out to  
23 investors as an investment expert, representing he was qualified to give investment advice because of  
24 his association with Tangle Trade and other registered investment advisers.

25 17. In connection with the offer and sale of securities, Standpoint Capital and Monis  
26 made, or caused to be made, misrepresentations of material fact or omitted to state material facts  
27 necessary in order to make the statements made, in the light of the circumstances under which they  
28 were made, not misleading. These misrepresentations and omissions included, but are not limited to  
the following:

- (a) Monis represented, or held himself out to investors as a licensed or qualified investment adviser or broker-dealer;
- (b) Monis represented that Standpoint Capital partnered with Tangle Trade and Webush Securities, Inc., to offer the pre-IPO twitter shares when in fact, no such partnership existed;
- (c) Monis failed to disclose that neither he nor Standpoint Capital was licensed in California to act as a broker-dealer or investment adviser.

Based upon the foregoing, the California Commissioner of Business Oversight is of the opinion that Standpoint Capital and Monis engaged in the offer and sale of securities in the form of investment contracts in Standpoint Capital. These securities have not been qualified under the California Corporate Securities Law of 1968, in violation of section 25110 of the Corporations Code.

The Commissioner is also of the opinion that Standpoint Capital and Monis have effected transactions in securities as broker-dealers in this state without having first applied for and secured from the Commissioner a certificate, then in effect, authorizing Standpoint Capital and Monis to act in that capacity, and not exempt from the certification requirements in violation of Corporations Code section 25210.

Further, the Commissioner is of the opinion that Standpoint Capital and Monis have conducted business as an investment adviser in this state without first applying for and securing from the commissioner a certificate, then in effect, authorizing them to do so, in violation of section 25230 of the CSL.

Finally, the Commissioner is of the opinion that the securities in the form of investment contracts, and stocks, offered by Monis and Standpoint Capital were offered and sold in this state by means of written or oral communications, which included untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of section 25401 of the CSL.

Pursuant to section 25532 of the California Corporate Securities Law of 1968, Ronald James Siruno Monis and Standpoint Capital, LLC are hereby ordered to:

1. Desist and refrain from the further offer or sale of securities in the State of California, unless and until qualification has been made under the law or unless exempt;

2. Desist and refrain from effecting any transaction in, or inducing or attempting to induce, the purchase or sale of any security in the State of California, unless and until they have applied for and secured from the Commissioner a broker-dealer certificate, then in effect, authorizing them to act in that capacity or unless exempt;
3. Desist and refrain from acting as an investment adviser in the State of California unless and until they have first applied for and secured from the Commissioner a certificate, then in effect, authorizing them to act as an investment adviser.
4. Desist and refrain from offering or selling or buying or offering to buy any security in the State of California, including but not limited to, investment contracts and stocks, by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: June 17, 2015  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division